MINNESOTA INDEPENDENT EQUAL ACCESS CORPORATION
TARIFF F.C.C. NO. 1

CENTRALIZED EQUAL ACCESS (CEA) SERVICE
2004 ANNUAL ACCESS TARIFF FILING
REVISED DESCRIPTION AND JUSTIFICATION

JUNE 30, 2004

INTRODUCTION

This Description and Justification provides an overview of Minnesota Independent Equal Access Corporation's (MIEAC'S) interstate Centralized Equal Access Service (CEAS) tariff (Tariff F.C.C. No 1). It includes descriptions of MIEAC and its tariffed services and the cost support materials provided to support its position to not change rates.

CORPORATE BACKGROUND

MIEAC was incorporated in the State of Minnesota on December 8, 1988, as a wholly owned subsidiary of Minnesota Equal Access Network Services, Inc. (MEANS), now called Onvoy. It was formed for the purpose of providing centralized equal access services to IXCs desiring to serve rural areas of Minnesota, together with incidental services such as toll recording and rating.

MIEAC began providing centralized equal access at a limited number of participating end offices in late January 1992, but did not become fully operational until the end of May 1992.

Onvoy, Inc. ("Onvoy") f/k/a MEANS is also a Minnesota corporation and was formed on October 6, 1988. It is presently owned by 57 independent local exchange carriers (ILECs), which collectively serve over 280 rural exchanges within the State of Minnesota, and Quantum Industrial Partners LDC and SFM Domestic Investments LLC.

Onvoy is a holding company, of which MIEAC is its wholly owned subsidiary. Onvoy offers competitive interstate and intrastate telecommunications and information services.

REGULATORY STATUS

By Memorandum Opinion, Order and Certificate, File No. W-P-C-6400, released August 22, 1990, the Commission's Common Carrier Bureau (domestic Facilities Division) granted MIEAC's Section 214 Application, as amended to lease and operate transmission facilities in order to provide centralized equal access service to interexchange carriers through a centralized switching facility in the State of Minnesota. The Division found that the public interest will be served by MIEAC's proposed network for the aggregation of equal access traffic in Minnesota.

By Order Granting Certificate of Authority to Provide Equal Access Service, Docket No. P3007/NA-89-76, issued January 10, 1991, the Minnesota PUC granted MIEAC and MEAFCO Certificates of Public Convenience and Authority to provide centralized equal access services within the State of Minnesota, subject to certain conditions not material to MIEAC's Section 214 Application.

SERVICES PROVIDED

MIEAC offers switched access services to interexchange carriers at its centralized equal access tandem switch and/or at one or more of its Toll Transfer Points (TTPs). These TTPs are interconnection points located at or near existing Qwest Communications access tandem service wire centers. In addition, MIEAC offers related recording and rating services.

Feature Group D Service. Feature Group D (FGD) service is the premium access service, which constitutes the core element of an "equal access" offering. Essentially, it incorporates a trunk-side connection to the switch, "1+" dialing, and several other unique features. Originating FGD access service is offered by MIEAC at its access tandem switch and at its TTPs. Terminating access is offered to IXCs on a voluntary basis over

MIEAC's network. On February 26, 2004, MIEAC filed for separate terminating tandem switching and terminating transport rates. Existing tandem switching and transport rates were left in place for originating traffic, and the new terminating rates were implemented exclusively for terminating traffic. The terminating rates are competitive to the Qwest rates for terminating switched access and reflect the current competitive environment for terminating long distance traffic. MIEAC also offers FGD switched access services using Signaling System 7 (SS7) protocol.

Feature Group B Service. Feature Group B (FGB) service provides IXCs with a trunk-side connection to the switch and a 950-1xxx access number. This methodology for toll access is used less and less by carriers because of the common standard of FGD. Originating FGB service is available at MIEAC's access tandem switch and at its TTPs; terminating FGB access is voluntary. In addition, originating FGB service is available at suitably equipped end offices of Routing Exchange Carriers (RECs). If an IXC requests originating FGB service from a REC, MIEAC's charge does not apply.

Recording and Rating Services. As a natural function of MIEAC's service, it records each call originating in the 280 local exchanges, which subtend its network. MIEAC also records all terminating calls for those IXCs who choose to use MIEAC as their terminating access carrier. MIEAC offers these recording services to RECs who were previously relying on Qwest for such services. These services are provided on an individual case basis under contract.

Service Description. MIEAC's service allows IXCs access to rural exchanges through its network, and the interoffice facilities of the LECs and Qwest. Pre-existing access facilities between LEC end offices and Qwest access tandem serving wire centers have for the most part remained in place. In addition to MIEAC's service, IXCs must obtain local transport service from the LECs, and in some cases, Qwest. For example, to serve end users in a particular exchange with equal access, an IXC must obtain Feature Group D service from MIEAC, the REC and Qwest. Therefore, LEC and Qwest access charges apply to the portions of access service that they provide.

MIEAC NETWORK

MIEAC's network consists of a centralized equal access tandem switch, ten Toll Transfer Points (TTPs), digital transport circuits, and other facilities necessary to provide CEAS.

Centralized Equal Access Tandem Switch. MIEAC employs a Northern Telecom DMS-100/200 tandem switch, upgraded to DMS 500, located in Plymouth, Minnesota, a suburb of Minneapolis. MIEAC offers all IXCs the opportunity to interconnect with its system at the tandem, and provides interested IXCs with space to collocate their facilities within its Plymouth office. When supported by NTI LATA Equal Access System (LEAS) software, the DMS-200 tandem switch can provide equal access using either SS7 or Feature Group D signaling, and supports all forms of access traffic, such as presubscription dialing, 10xxx + number dialing, 1+800/888/900/700 dialing, operator handled calling and equal access billing for subtending end offices.

Toll Transfer Point. MIEAC has established two TTPs in Downtown Minneapolis and at eight other locations throughout the State of Minnesota. These TTPs are situated in Qwest's existing access tandem serving wire centers, so as to most efficiently utilize interoffice facilities existing between LECs and Qwest. Whereas the TTPs were designed principally to minimize facility dislocation to IXCs with existing points of interconnection at Qwest's access tandem serving wire centers, all IXCs have the option to interconnect with MIEAC at one or more of these TTPs, or to have all of their traffic centralized at the Plymouth tandem switch or one of the Minneapolis TTPs.

Points of Interconnection. IXCs may receive their traffic at MIEAC's centralized equal access tandem switch or at one of its TTPs. IXCs are responsible for connecting to MIEAC's network. MIEAC offers IXCs collocation privileges at its TTPs, as well as its centralized equal access tandem switching office.

RATE STRUCTURE

The Switched Transport rate is non-distance sensitive and will be charged on a per minute of use (MOU) basis. An IXC incurs the same charge whether its point of interconnection is at MIEAC's centralized equal access tandem switch or at one of the ten TTP locations. The additional transmission costs that MIEAC will incur to make such flexibility available are recovered through the Switched Transport rate that is charged to all IXCs. This non-distance sensitive Switched Transport rate was designed to prevent discrimination, to facilitate competition between IXCs on an equal basis, and to ensure that all end users, regardless of their distant rural location, would be adequately served by an equal access to all competitive carriers using MIEAC's Centralized Equal Access Service.

Current rates:

- Interstate Orig CEA Switching $0.0169
- Interstate Orig Tandem Switching $0.0037
- Interstate Orig Transport $0.0099
- Interstate Term Tandem Switching $0.0024
- Interstate Term Transport $0.0008

RATE DEVELOPMENT

The revenue requirement associated with providing centralized equal access service between the Toll Transfer Points and MIEAC's central access tandem switch was determined by using a mechanized jurisdictional separation system which incorporates Part 36 of the FCC Rules and Regulations. Part 36 was used to develop the interstate portions of forecasted investment and expense.

The interstate portion of investment and expenses derived from Part 36 was then processed through a Part 69 cost allocation system. Part 69 assigns the interstate data to various cost elements used by LECs to establish access rates. Since MIEAC uses only Switched Transport and the unbundled elements of Tandem Switching and Transport, the

division of its interstate revenue requirement into separate rate elements under Rate 69 does not yield results which are relevant to MIEAC's CEA rate.

MIEAC's interstate investment levels are consistent with its 2002 access tariff filing. MIEAC's expenses are consistent with its 2002 access tariff filing.

Federal and state income taxes were estimated as 34 percent and 9.8 percent, respectively, of projected net income.

Forecasted miscellaneous revenues (mostly recording and SS7) were subtracted from MIEAC's total company revenue requirement to determine the net revenue requirement for Centralized Equal Access Service and its Tandem and Transport elements.

Demand quantities utilized in this filing represent all interstate originating and terminating minutes of use (MOU). Estimating MOU for 2004 and 2005 reflects the significant decrease that is expected in centralized equal access due to market conditions. It is anticipated that much of the historical demand for long distance service will be shifting to (1) wireless carriers offering bundled package plans of minutes; (2) voice over IP (VoIP) providers which have the ability to transport voice calls over Internet Protocol (IP) networks, (3) the use of Email and Instant Messaging (IM) to replace traditional long distance traffic, and (4) Onvoy/MIEAC business case anticipates a shift away from CEA to directly connected services. The result of this process is shown in the attached Rate Development Schedule.

MINNESOTA INDEPENDENT EQUAL ACCESS CORPORATION

CENTRALIZED EQUAL ACCESS SERVICE

SWITCHED TRANSPORT RATE

RATE DEVELOPMENT SCHEDULE

Net Revenue Requirement	$5,492,221
Projected 2004/2005 Interstate Minutes of Use	289,283,772

PROPOSED RATE PER MINUTE OF USE

CEA Originating	$.0169
Originating Transport	$.0099
Terminating Transport	$.0008
Originating Tandem Switching	$.0037
Terminating Tandem Switching	$.0024

CURRENT RATE PER MINUTE OF USE

CEA Originating	$.0169
Originating Transport	$.0099
Terminating Transport	$.0008
Originating Tandem Switching	$.0037
Terminating Tandem Switching	$.0024

Percent Change

All Rate Elements	0%